

Chapter 4  
**KIDSCARE – ARIZONA’S SCHIP PROGRAM**

**I**n May 1998, the Arizona Legislature authorized the implementation of a stand-alone Title XXI State Child Health Insurance Program (SCHIP). This program is referred to as KidsCare, and was implemented on November 1, 1998.

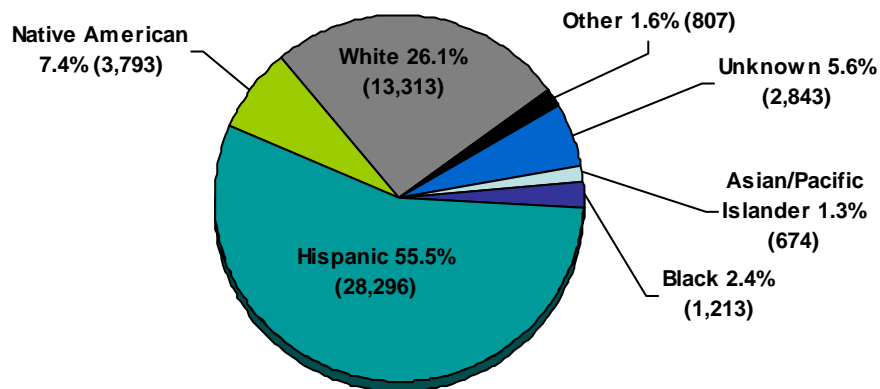
Arizona’s income threshold is set at 200 percent FPL with no resource test on this population. A screening and referral process is used to determine whether a child is eligible for Medicaid (Title XIX) prior to a determination of eligibility for KidsCare.

Health care services are provided through established AHCCCS health plans. All eligible children have a choice of available contractors and primary care providers in their GSA. Additionally, Native Americans can elect to receive services through a health plan or the Indian Health Services (IHS).

**KIDSCARE: POPULATION**

As of October 1, 2005, KidsCare enrollment was 50,929 children. Chart 4A shows the ethnicity of KidsCare children as reported by the applicants.

**Chart 4A KidsCare  
Population by Ethnicity**



**KIDSCARE: BUDGET**

➤ **State and Fiscal Expenditures**

Chart 4B shows KidsCare program expenditures (not including administrative costs) over a four-year period, including actual expenditures for State fiscal years 2003-2005 and projected expenditures for State fiscal year 2006. Based on current enrollment numbers, federal funding percentages are sufficient to fund the program for the upcoming year.

**Chart 4B**  
**EXPENDITURES**

<b>State Fiscal Year 2003</b>	<b>State Fiscal Year 2004</b>	<b>State Fiscal Year 2005</b>	<b>State Fiscal Year 2006 (Projected)</b>
\$56,176,892	\$66,628,718	\$69,441,256	\$85,884,200

➤ **Premiums Implemented**

On October 1, 1999, KidsCare implemented premiums for families with an income above 150 percent of the Federal Poverty Level (FPL). On July 1, 2004, premiums were implemented for families with income between 100 percent and 150 percent of the FPL. The 2005 premium amounts are represented in Chart 4C:

**Chart 4C**  
**PREMIUM AMOUNTS**

<b>Federal Poverty Levels (FPL)</b>	<b>1<sup>st</sup> Child</b>	<b>More than 1 Child</b>
Above 100% - 150%	\$10.00	\$15.00 Total
Above 150% - 175%	\$20.00	\$30.00 Total
Above 175% - 200%	\$25.00	\$35.00 Total

As of October 1, 2005, there were 27,468 households with 43,996 enrolled children required to pay a premium. These children represent 86.4 percent of the children enrolled in KidsCare. Native American KidsCare enrollees do not pay a premium and there is a small number where the premium begins with the second month of KidsCare enrollment rather than the first month. From October 1, 2004 through September 30, 2005, premium collection payments totaled \$5,539,875, of which 77.08 percent was returned to CMS.